

NOTICE

NOTICE is hereby given that 7th Annual General Meeting of the members of Spacecon Realty Private Limited will be held on Saturday, the 27th September, 2014 at 11.30 a.m. at the Registered Office of the Company at DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai – 400 063 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company for the year ended 31st March, 2014, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To appoint Director in place of Mr. Nabil Patel, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as an Ordinary Resolution:

“RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, (Reg. No.101720W), the Auditors of the Company, who are not disqualified to act as Auditors of the Company under section 139 of the Companies Act, 2013 be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus re-imbursement of out of pocket expenses, if any, to be incurred by them in connection with the said audit exclusive of other fees payable for other services, if any, to be rendered by them as shall be fixed and agreed between the Statutory Auditors and the Board of Directors of the Company.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**By order of the Board of Directors,
For Spacecon Realty Private Limited**

Sd/-
Director

Place: Mumbai
Date: 20.05.2014

Registered Office:
DB House, Gen. A.K. Vaidya Marg, Goregaon (East), Mumbai – 400063

DIRECTOR'S REPORT

Dear Members

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2014.

FINANCIAL RESULTS AND BUSINESS INITIATIVES:

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Total Income	Nil	Nil
Total Expenses	45,86,747	97,17,560
Profit/(Loss) after Tax	(45,86,747)	(97,17,560)

The Company is engaged in the business of real estate and development and is a subsidiary of D B Realty Ltd. In the year 2010, the company's bid for development of the Government Colony "Part - 1" in Bandra (East), Mumbai was accepted by the Govt. of Maharashtra, P. W. Department. However, for execution of work order for said project, the P.W. department has asked the Company to pay premium upfront amount (including maintenance corpus) of Rs. 802.95 crores against same Company has offered to pay an amount of Rs. 362.95 crores simultaneous with execution of concession agreement with PW department for issuance of work order, as per the Company's understanding of the provisions contained in the tender.

DIVIDEND:

In the absence of profits, your directors do not recommend any dividend.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits from public and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is, hereby, confirmed:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and the Directors had made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as it exists for the year ended 31st March, 2014, and of the loss of the company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS:

During the year under review, Mr. Rajiv Agarwal and Mr. Nabil Patel, are continuing as Directors of the Company.



Mr. Nabil Patel, Director retires by rotation and being eligible, offers himself for re-appointment subject to approval of Members in the ensuing Annual General Meeting. The Board recommends his re-appointment as Director of the Company.

During the year under review, Mr. Narayan Prasad Bajaj resigned from the Directorship of the Company w.e.f. 2nd December, 2013.

AUDIT REPORT AND OUR COMMENTS:

The observations in Statutory Auditors Report are self explanatory and do not require any further clarifications. However, as a matter of better disclosure, with regard to auditors' observation as stated in para no. (x) in the Annexure to the Auditors' Report about accumulated losses at the end of the financial year which exceed fifty percent of its net worth and company incurred cash losses in the current and immediately preceding financial year, your directors have to state that in future the Company will be able to recover the accumulated losses once the development of project of the Company is commenced and the Company starts recognising revenues therefrom.

AUDITORS:

The Statutory Auditors of the Company M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Reg. No. 101720W) retire at the ensuing Annual General Meeting and being eligible, offer themselves, for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing the remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Considering the nature of the business, it is not necessary to give statement showing required particulars in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998 read with the provisions of Section 217(1) (e) of the Companies Act, 1956 and hence it has not been annexed hereto.

During the year under review, Foreign Exchange earnings and outgo were Nil.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the support extended by the Bankers, Office Bearers of the Government Department.

On behalf of the Board of Directors
For **Spacecon Realty Private Limited**

Sd/-

Sd/-

Director

Director

Place : Mumbai

Date : 20.05.2014

SPACECON REALTY PRIVATE LIMITED.

Regd. Office : DB House, Gen. A. K. Vaidya Marg, Goregaon (East), Mumbai - 400 063. • Tel.: 91-22-4077 8600 • Fax: 91-22-2841 5550/2842 1667

E-mail: info@dbg.co.in • Website: www.dbrealty.co.in

CIN : U45203MH2007PTC176104

**Independent Auditor's Report to the Members of
Spacecon Realty Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Spacecon Realty Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

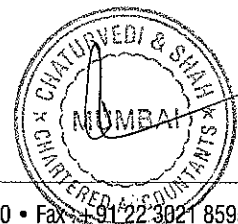
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

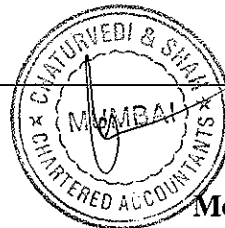


- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the "Loss" for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For CHATURVEDI & SHAH
Firm Reg. No. : 101720W
Chartered Accountants



Jignesh Mehta

Jignesh Mehta
Partner

Membership No. : 102749

Place: Mumbai
Date: 20/5/2014

ANNEXURE TO AUDITOR'S REPORT
Referred to in Paragraph 1 of our Report of even date

i) The Company does not have any Fixed Assets. Thus Clause (i) of paragraph 4 of the Order is not applicable.

ii) In respect of its Inventories:

The Company is engaged in the business of real estate development and as at year end its project is in initial stage of development. As at year end, company's inventory comprises of the work in progress which represents the direct cost of construction cost. The company does not have any construction related inventories and therefore, clause (ii) of paragraph 4 of the Order is not applicable.

iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, sub-clause (b), (c) and (d) of Clause 4(iii) of the order are not applicable.

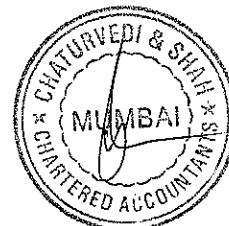
b) According to the information and explanations given to us, the Company has taken unsecured loan from holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year in respect of said loan is Rs. 66,12,48,288/- and the year-end balance is Rs. 64,98,23,288/-.

c) In our opinion and according to the information and explanation given to us, said loans are interest free and other terms & conditions are not prejudicial to the interest of the company.

d) In respect of said interest free loan taken by the Company, the principal amount is not due for repayment during the year and therefore the question of overdue amount doesn't arise.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems in respect of same.

v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:



- a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations provided to us, the transactions made in pursuance of such contracts or arrangements have been made at reasonable prices having regard to the prevailing market prices at the relevant time.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the directives issued by the Reserve Bank of India and the provision of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Amendment of Deposit) Rules, 1975 are not applicable to the company.
- vii) The Company's paid up capital and reserves at the commencement of the financial year concerned did not exceed Rs. 50 lacs. Further the Company's average annual turnover for the three consecutive preceding financial years did not exceed Rs. 5 Crores. Therefore the requirements of Clause (vii) of paragraph 4 of the Order, with respect to Internal Audit System, are not applicable.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Income tax and other applicable statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess which have not been deposited on account of any dispute.
- x) The Company's accumulated losses at the end of the financial year are more than fifty percent of the net worth of the Company. The Company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company had no dues payable to Financial Institutions, Banks or Debenture holders.

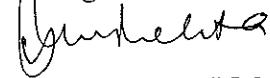


- xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) In our opinion and according to the explanations given to us and based on the information available, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv) According to information and explanation given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- xvi) The Company has not raised any term loan during the year and hence the clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares, during the year to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any secured debentures during the year covered by our audit.
- xx) As the Company has not raised money through public issue therefore provision of Clause 4(xx) of the order is not applicable to the Company.
- xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

For CHATURVEDI & SHAH

Chartered Accountants

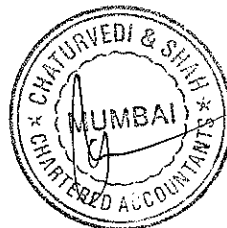
Firm Reg. No.: 101720W



Jignesh Mehta

Partner

Membership No. 102749



Place: Mumbai

Date: 20/5/2014

Spacecon Realty Private Limited

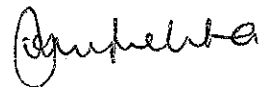
BALANCE SHEET AS AT 31st MARCH, 2014

(Amount in Rupees)

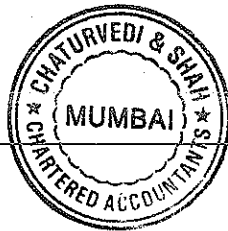
	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I.	<u>EQUITY AND LIABILITIES</u>			
1	<u>Shareholders' Funds</u>			
	(a) Share Capital	2	135,140	135,140
	(b) Reserves and Surplus	3	(101,549,096)	(96,962,349)
2	<u>Non Current Liabilities</u>			
	(a) Long-Term Borrowings	4	649,823,288	661,248,288
3	<u>Current Liabilities</u>			
	(a) Trade Payables	5	1,661,097	4,307,504
	(b) Other Current Liabilities	6	6,110	6,803,944
	(c) Short-Term Provisions	7	-	39,178
	Total of Equity & Liabilities		550,076,539	575,571,705
II.	<u>ASSETS</u>			
1	<u>Current Assets</u>			
	(a) Inventories	8	471,515,530	496,778,638
	(b) Trade Receivables	9	78,492,152	78,489,644
	(c) Cash and Cash Equivalents	10	19,015	55,505
	(d) Short-Term Loans and Advances	11	-	247,918
	(e) Other Current Assets	12	49,842	-
	Total of Assets		550,076,539	575,571,705

See accompanying significant accounting policies and notes to the financial statements - 1 to 27


AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH
Chartered Accountants
Firm Registration no - 101720W



Jignesh Mehta
Partner
Membership no - 102749



FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS



Rajiv Agarwal
Director



Nabil Patel
Director

Place : Mumbai
Date : 20/05/2014

Place : Mumbai
Date : 20/05/2014

Spacecon Realty Private Limited


STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

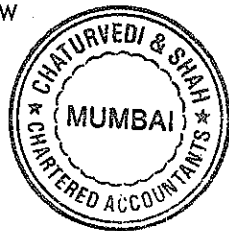
(Amount in Rupees)

Sr. No.	Particulars	Note No.	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
I.	<u>Income from Operations</u>		-	-
II.	<u>Other Income</u>		-	-
	Total Income	(A)	-	-
III.	<u>Expenses</u>			
	Project Related Expenses	13	548,966	749,378
	Changes in Inventories of Work-in-progress and Stock-in-Trade	14	(548,966)	(749,378)
	Other expenses	15	108,899	7,673,972
	Legal and Professional Fees	16	4,477,848	2,043,588
	Total Expenses	(B)	4,586,747	9,717,560
	Profit / (Loss) After Tax	(A-B)	(4,586,747)	(9,717,560)
	<u>Earnings Per Share</u>			
	Basic and Diluted (before exceptional items) per share		(339)	(719)
	Weighted no. of Equity shares used in Computing EPS (of Rs 10/- each)		13,514	13,514

See accompanying significant accounting policies and notes to the financial statements - 1 to 27


AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH
Chartered Accountants
Firm Registration no - 101720W

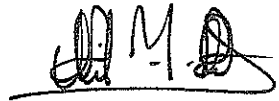

Jignesh Mehta
Partner
Membership no - 102749



Place : Mumbai
Date : 20/05/2014

FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS


Rajiv Agarwal
Director


Nabil Patel
Director

Place : Mumbai
Date : 20/05/2014

Spacecon Realty Private Limited

Cash Flow Statement for the year ended 31st March, 2014

(Amount in Rupees)

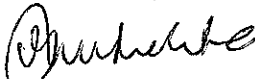
Sr. No.	Particulars	Year Ended 2013-14	Year Ended 2012-13
A.	Cash Flow from operating activities		
	Net Profit/(Loss) before tax & extraordinary items	(4,586,747)	(9,717,560)
	Add:		
	Interest & Finance Cost	-	-
	Operating Profit before Working Capital changes	(4,586,747)	(9,717,560)
	Adjustments For :		
	(increase) / Decrease in inventories	25,263,108	(749,378)
	(Increase) / Decrease in loans and Advances	247,918	(175,651)
	(increase) / Decrease in trade receivables	(2,508)	6,470,778
	Increase / (Decrease) in other current assets	(49,842)	-
	Increase / (Decrease) in trade payables	(2,646,407)	4,156,291
	Increase / (Decrease) in short term provisions	(39,178)	(1,059,492)
	Increase / (Decrease) in other current liabilities	(6,797,834)	(14,184,142)
	Cash generated from operations	11,388,510	(15,259,154)
	Direct taxes paid	-	-
	Net Cash from operating activities (A)	11,388,510	(15,259,154)
B.	Cash Flow from Investing activities :		
	Net Cash generated/ (used in) from investing activities (B)	-	-
C.	Cash Flow from Financing activities :		
	Long term borrowings taken	6,775,000	15,235,000
	Long term borrowings repaid	(18,200,000)	-
	Interest & Finance Cost	-	-
	Net cash/ (used in) from financing activities (C)	(11,425,000)	15,235,000
	Net increase in cash and cash equivalents (A+B+C)	(36,490)	(24,154)
	Cash and Cash equivalents as at the beginning	55,505	79,659
	Cash and Cash equivalents as at the end	19,015	55,505
	Cash and cash Equivalents includes:		
	Cash on hand	10,518	24,569
	Bank Balances	8,497	30,936
		19,015	55,505

Notes:

- Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard Standard (AS) 3: "Cash Flow Statement" as specified in the Companies (Accounting Standards) Rules 2006.
- Cash and cash equivalents represent bank balance & cash in hand.
- Figures of the previous year have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH

Chartered Accountants
Firm membership no - 101720W


Jignesh Mehta

Partner


Membership no - 102749


Place : Mumbai

Date : 20/05/2014



FOR AND ON BEHALF OF THE BOARD OF
DIRECTORS


Rajiv Agarwal
Director


Nabil Patel
Director

Place : Mumbai

Date : 20/05/2014

Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

Note No. 1 - Significant Accounting Policies

i) Basis of Preparation of Financial Statements

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis to comply in all material aspects the mandatory Accounting Standards, as notified by the Companies Act. (Accounting Standard Rules), 2006 referred to in Section 133 of the Companies Act, 2013 and the relevant provisions as applicable.

ii) Use of Estimates

The preparation of Financial Statement requires management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, the disclosure of Contingent Liabilities on the date of financial statements and the reported amount of expenses during the year reported. Actual results could differ from those estimates. Any revision to estimates is recognized in accordance with the requirements of respective Accounting Standard.

iii) Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction .

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

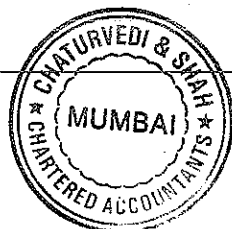
(c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

iv) Inventories

Project work in progress represents cost incurred in relation to development and construction of project. Direct Expenses are taken as the cost of projects. It is valued at lower of cost or net realisable value.

v) Revenue Recognition

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably. Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost, determined based upon the judgment of management and certified by Company's technical personnel. The revenue is recognized, only if, all critical approvals necessary for commencement of the project have been obtained, at least 25% of construction cost (excluding cost incurred in acquisition of land and its development rights) is incurred, at least 25% of the saleable project area is secured by contracts or agreements with buyers, and at least 10 % of the total revenue as per agreement are realized at the reporting date in respect of each of the contracts and there is no uncertainty towards realisation of the balance amount. Accordingly, the cost of construction/development is charged to the profit and loss account in proportion to the revenue recognised during the period and balance cost are carried as a part of "Project work in progress" under Inventories. Amounts receivable/payable are reflected as Trade receivables/Advances from customers, respectively, after considering income recognised in aforesaid manner. The estimates of saleable area and costs as revised periodically by the management are considered as change in estimate and accordingly, the effect of such changes to estimates is recognized in the period such changes are determined.



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

vi) Taxes on income

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable effective tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted or substantively enacted effective tax rates as on the balance sheet date.

At each balance sheet date the company reassesses recognised deferred tax assets and liabilities and recognises unrecognised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

vii) Provisions

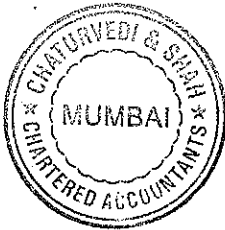
A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates.

viii) Contingent Liabilities

Contingent Liabilities are not provided for in the account , and if any, the same is disclosed in notes to accounts.

ix)

Accounting Policies not specifically referred to above are consistent with the Generally Accepted Accounting Principles followed by the Company.



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

Note : 2 Share Capital

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised Capital		
10,00,000 Equity Shares of Rs. 10/- each (Previous Year 10,00,000)	10,000,000	10,000,000
20,00,000 Compulsorily convertible cumulative Preference Shares of Rs.10/- each (Previous Year 20,00,000)	20,000,000	20,000,000
Total	30,000,000	30,000,000
Issued, subscribed & paid up		
13514 (13514) Equity Shares of Rs. 10/- each	135,140	135,140
Total	135,140	135,140

All of the above Shares contain equal voting rights and there are no restrictions/preferences attached to any of the above shares.

Note :2.1 Reconciliation of shares outstanding at beginning and at the end of reporting period

Particulars	As at 31st March, 2014	As at 31st March, 2013
Shares outstanding at the beginning of the year	13,514	13,514
Add: Shares Issued during the year / Bonus issue	NIL	NIL
Less: Shares bought back during the year/ ESOP	NIL	NIL
Shares outstanding at the end of the year	13,514	13,514

Note :2.2 Shares held by Holding Company / Subsidiary Company / Associates

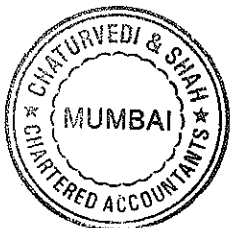
Particulars	As at 31st March, 2014	As at 31st March, 2013
Holding Company:		
D B Realty Limited		
Equity Shares of Rs 10/- each	10,000	10,000
Enterprise where individuals i.e. KMP and their relatives have significant influence		
Eversmile Construction Company Private Limited		
Equity Shares of Rs 10/- each	3,514	3,514

Note :2.3 Details of Shareholders holding more than 5% in companies

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
D B Realty Ltd	10000	74%	10000	74%
Eversmile Construction Company Private Limited	3514	26%	3514	26%

Note 3 Reserves & Surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
A. Surplus/(deficit) in statement of P/L as per last FY statement	(96,962,349)	(87,244,789)
(+) Net Profit/(Net Loss) For the current year	(4,586,747)	(9,717,560)
Closing Balance	(101,549,096)	(96,962,349)
Total	(101,549,096)	(96,962,349)



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

Note 4 Long Term Borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured		
Loan from Holding Company DB Realty Ltd (Repayable over a period of 3 to 5 years)	649,823,288	661,248,288
Total	649,823,288	661,248,288

Note 5 Trade Payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Due to Micro Small Medium Enterprises	-	-
Others	1,661,097	4,307,504
Total	1,661,097	4,307,504

Note 6 Other Current Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
Statutory Dues	6,110	57,424
Advance Received Against Sale of TDR	-	6,746,520
Total	6,110	6,803,944

Note 7 Short Term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Expenses	-	39,178
Total	-	39,178



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

Note 8 Inventories (Valued at lower of cost or NRV)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Project Work in Progress		
Work-in-progress (Valued at Cost)	471,515,530	470,966,564
Others (Transferable Development Rights - TDR) Valued at Lower of Cost or NRV	-	25,812,074
Total	471,515,530	496,778,638

Note 9 Trade Receivables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured and considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	78,492,152	78,489,644
Others	-	-
Total	78,492,152	78,489,644

Note 10 Cash and Cash Equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with Banks	8,497	30,936
Cash on hand	10,518	24,569
Total	19,015	55,505

Note 11 Short Term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with Central Excise Authorities	-	247,918
Total	-	247,918

Note 12 Other Current Assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
Others	49,842	-
Total	49,842	-



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

Note 13 Project Related Expenses

Particulars	As at 31st March, 2014	As at 31st March, 2013
Project Expenses (Professional Fees)	-	749,378
Loss on sale of TDR	548,966	-
Total	548,966	749,378

Note 14 Changes in Inventories of Work-in-progress and Stock-in-Trade

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Inventories	470,966,564	470,217,186
Closing Inventories	471,515,530	470,966,564
Total	(548,966)	(749,378)

Note 15 Other Expenses

Particulars	As at 31st March, 2014	As at 31st March, 2013
Payment to Auditors	57,866	113,473
Printing, Postage & Telephone Expenses	3,182	5,334
Miscellaneous Expenses	28,927	475,750
Sundry Balances Written Off	-	72,267
Bank Charges	403	3,887
Leave & License Fees	-	6,975,749
Business Promotion Expenses	-	960
Conveyance & Travelling Expenses	16,021	11,552
Profession Tax	2,500	15,000
Total	108,899	7,673,972

Note 16 Legal and Professional Fees

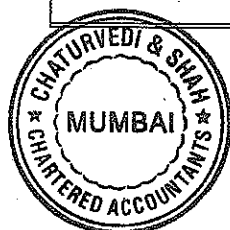
Particulars	As at 31st March, 2014	As at 31st March, 2013
Legal and Professional Fees	4,477,848	2,043,588
Total	4,477,848	2,043,588

Note 17 Expenditure in Foreign Currency

Particulars	As at 31st March, 2014	As at 31st March, 2013
Professional Fees	-	595,285
Total	-	595,285

Note 18 Payment to Auditors (Including Service Tax)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Audit Fees	56,180	56,180
Certification Fees	-	55,150
Out of Pocket Expenses	1,686	2,143
Other Matters	-	-
Total	57,866	113,473



Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

Note : 19 As per the Accounting Standard 18, the disclosure of transactions with the related parties as defined in the accounting standards, are given below.

A Names of related parties with whom transactions have taken place during the year (identified by management and relied upon by the auditor)

I Holding Company -
1 D B Realty Limited

II Fellow Subsidiaries -
1 DB View Infracon Private Limited

III Enterprise owned or significantly influenced by Key Managerial Personnel
1 Nihar Constructions Private Limited
2 Conwood Construction & Developers Pvt Ltd (Upto 16.10.2012)

B Transaction during the year with related parties :

I. Transactions with Holding Company

Sr. No.	Particulars	Opening Balance	Taken/ Adjusted During the Year	Repaid / Adjusted During the Year	Closing Balance
1	Loan Taken from Holding Company				
a	D B Realty Limited	661,248,288	9,857,468	21,282,468	649,823,288
		645,413,288	34,135,000	18,300,000	661,248,288
2	Reimbursement of Expenses				
b	D B Realty Limited	-	-	-	-
		20,766,217	-	20,766,217	-



Spacecon Realty Private Limited
(Formerly known as DB Spacecon Private Ltd)
Notes Forming Part of Financial Statements for the year ended 31st March, 2014

II. Transactions with Fellow Subsidiaries

Sr. No.	Particulars	Opening Balance	Taken/ Adjusted During the Year	Repaid / Adjusted During the Year	Closing Balance
1	Reimbursement of statutory obligation paid on behalf by the company				
a	DB View Infracon Pvt Ltd	-	-	-	-
		<i>8</i>	-	<i>8</i>	-

III. Transactions with Enterprises owned or significantly influenced by KMP

Sr. No.	Particulars	Opening Balance	Taken/ Adjusted During the Year	Repaid / Adjusted During the Year	Closing Balance
1	Loan Taken				
a	Nihar Constructions Pvt Ltd	-	-	-	-
		<i>600,000</i>	-	<i>600,000</i>	-

Sr.No.	Particulars	Amount Rs.
1	Leave & License Fees	
a	Conwood Construction & Developers Pvt Ltd	-
		<i>62,226</i>

Note :- Figures in Italics relate to previous year




Spacecon Realty Private Limited

Notes Forming Part of Financial Statements for the year ended 31st March, 2014

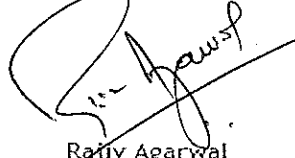
- Note 20 Company's bid for development of the Government Colony Plot " part -I " in Bandra (East), Mumbai, has been accepted by Govt. of Maharashtra P.W. Department in year 2010. For execution of work order for said project, the P.W. department has asked the company to pay minimum upfront amount (including maintenance corpus) of Rs. 802.95 Crore, against same company has offered to pay an amount of Rs. 362.95 Crore simultaneous with execution of concession agreement with PW department for issuance of work order, as per the Companys understanding of the provisions contained in the Tender. The holding company and other shareholder has committed to provide the financial support as and when required to the Company, so as to pursue the said project further. Therefore, in view of the management, accounts have been prepared on going concern basis.
- Note 21 As per the information provided by the company there are no Micro , Small, and Medium Enterprises as defined in the Micro Small and Medium enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.
The above information regarding Micro Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.
- Note 22 Company's activities (primarily Real Estate Development Project) has an operating cycle that exceeds one year. For classification of current assets and liabilities related to such activities, the Company elected to use such duration (estimated time to complete the project) as its operating cycle.
- Note 23 In financial year 2013-14, to augment further resources, the balance TDRs costing Rs.258,12,074/- were sold by the company on which loss of Rs. 548,966/- has been incurred. The company is continuing the Government colony redevelopment project and estimates the need for purchase of TDR at an appropriate time in the future as and when required. The sale of TDR being consequential to the overall property development business, the gains/losses were considered as part of inventory and were included in cost of project WIP.
- Note 24 Previous period figures have been regrouped and reclassified wherever necessary to make them comparable with current year figure.
- Note 25 The Company Operates only in one segment viz. Real Estate Development as per AS - 17 Segment Reporting.
- Note 26 Loans and Advances are subject to confirmation.
- Note 27 Contingent Liability - Rs. Nil (Previous Year - Rs. Nil)

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR CHATURVEDI & SHAH
Chartered Accountants
Firm Registration no - 101720W


Jignesh Mehta
Partner
Membership no - 102749



FOR AND BEHALF OF THE BOARD OF
DIRECTORS


Rajiv Agarwal
Director


Nabil Patel
Director

Place : Mumbai
Date : 20/05/2014

Place : Mumbai
Date : 20/05/2014